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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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[Signature]

IN THE MATTER OF THE APPLICATION OF
MORENCI WATER & ELECTRIC COMPANY
FOR AN ADJUSTMENT IN ITS PURCHASED
POWER AND FUEL ADJUSTMENT CLAUSE
RATE ("PPFAC")

Docket No. E-01049A-09-0420

**MOTION TO EXTEND
TIME TO FILE RATE CASE**

Morenci Water & Electric Company ("MWE" or the "Company"), through undersigned counsel, respectfully requests that the Commission extend the deadline for MWE to file its rate case. Decision No. 71468 (January 26, 2010) requires MWE to file a rate case by March 31, 2011, using a 2010 test year. MWE moves to extend that deadline 90 days so that the rate application will be filed no later than June 30, 2011. The Company will still use a 2010 test year. The Company requests this extension for several reasons.

First, the Company is focused on compiling the necessary information to file a rate case for both its electric and water divisions. MWE's last rate application was submitted December 21, 1983. The Commission last approved rates for MWE's water and electric divisions in Decision No. 54712 (October 10, 1985). It has taken some time to gather, review and analyze the necessary information for filing a full rate case for both divisions. Given the length of time from its last rate case, MWE must also conduct cost of service studies for both its electric and water divisions and prepare an updated rate design. This is because MWE must ascertain the proper allocation of costs between its water and electric division, its systems within its water division (between the town-site of Morenci and the Town of Clifton), and within its electric division (between mining operations and the rest of its electric customer base). The Company believes these studies are necessary to develop proper rate designs for MWE's water and electric divisions. The Company

1 needs the additional time to thoroughly conduct the cost of service studies and develop proper rate
2 designs.

3 Second, MWE anticipates that it will be proposing a rate increase for both electric and
4 water service. The Company is also exploring means to mitigate the increases to non-mining
5 customers, and requires additional time to fully explore those options once the basic rate
6 information is compiled.

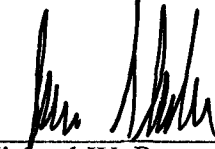
7 Finally, MWE needs the additional time to close out its books for the test year and ensure
8 that its rate application meets all of the Commission's filing requirements. The additional 90 days
9 will allow MWE to prepare the required rate application (including pre-filed direct testimony and
10 requisite schedules) and to provide the most information it can with its application and during the
11 sufficiency process. The Company is not moving to extend time simply to delay the filing of a
12 rate case, and believes that extending time will not be unduly burdensome on its customers and
13 will not result in any prejudice to Staff or other potential interveners.

14 WHEREFORE, MWE respectfully requests that the Commission grant its request to
15 extend time to file its rate case by 90 days and that MWE file a rate case by June 30, 2011, using a
16 2010 test year.

17 RESPECTFULLY SUBMITTED this 9th day of March, 2011.

18 **MORENCI WATER & ELECTRIC COMPANY**

19
20 By



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1 Original and 13 copies filed
2 this 9th day of March, 2011, with:

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7 Copies of the foregoing hand-deliver/mailed
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